

Amazon's Paul Misener on the link between innovation and diversity

By <u>Lauren Hartzenberg</u>

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In his keynote address during the Seamless Saudi Arabia virtual conference this month, Amazon veteran Paul Misener shared insight into how the e-commerce giant approaches innovation and the profound role a diverse workforce plays in this process.



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Part of Misener's job as Amazon's vice president for global innovation policy and communications includes explaining and advocating for Amazon's culture and methods of innovation. He's worked for the company for over 20 years, after being personally hired by Jeff Bezos in 1999.

Speaking on the topic 'Addressing global cross-border challenges through innovation', Misener said that while Amazon spends a considerable amount of time trying to forecast variables like sales and customer demands, the Covid-19 pandemic comes as a reminder that not every challenge we face is foreseeable.

"We're all now confronted with the need to innovate. There isn't a larger cross-border challenge than a pandemic," he said.

He added, however, that waiting for a crisis is not the best way to innovate. Instead, businesses should grow accustomed to innovating constantly so that when a crisis hits it's easier to innovate on demand.

Demystifying experimentation

Misener emphasised viewing failure and experimentation as essential to the innovation process. "Experiments are essential when trying something new. You can't predict turnout if your idea is truly new and innovative.

"I often run into people who don't recognise what an experiment is. A scientific experiment requires the possibility of failure. If you've actively tried to make an idea fail and it doesn't, only then you can truly have some level of faith in that idea," he said.



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He added that Amazon has experienced billions of dollars' worth of failure throughout the years, but what's important is that companies do their best to ensure failures occur internally, before a product or service gets out to customers.

He referenced the Fire Phone launched in 2014, which has been described as "one of Amazon's biggest misfires".

"We thought it was a good phone with good features, but customers didn't like it. We ended up having to take a \$170m write-down on it. It was not a financial success, but we should have been able to predict and anticipate that. We failed to have it fail internally first."

Overcoming confirmation bias

"At Amazon we try to look at experimentation through a specific lens, which is trying to overcome the human nature of confirmation bias. Every one of us has some level of it built into us. If you have a thought or an idea you tend to look around for information or data that supports that idea, but you don't pay much attention to information that disconfirms that idea," Misener explained.

This line of thought informs the e-commerce company's approach to leadership and innovation.

"At Amazon we're all required to disconfirm our beliefs. If we have an idea or proposal it's our personal job to actively try to take it down. We want to make it fail or put it in a position where it can be modified to become an even better product or service before it goes out to customers. We're able to say to our bosses, 'We tried this but it didn't work out and we're going to redesign it.'"

Countering confirmation bias is tougher to do when you're surrounded only by people who look like you, have a similar background to you and went to the same schools, Misener noted. That's where diversity comes in.



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Diversifying the talent pool

"Firstly, diversity is morally the right thing to do. There should be no reason to exclude any group based on race, ethnicity

or gender.

"Secondly, it's good for business. If you're looking for talent to fulfill particular roles in your enterprise, you want the talent pool to be as big and diverse as possible. If you start excluding people based on things like ethnicity you're diminishing the strength of your talent pool," Misener said.

He concluded, "People often forget the role people diversity has to play in innovation. It's important because it helps overcome confirmation bias. At Amazon we actively seek diverse perspectives on ideas because it helps us be reasonably sure that an idea won't fail when it gets out to customers."

ABOUT LAUREN HARTZENBERG

Managing editor and retail editor at Bizcommunity.com Cape Town apologist. Dog mom Get in touch: lauren@bizcommunity.com

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